

Standard Oil Company (Indiana)



ANNUAL REPORT 1971

The Year in Brief

1971
1970

Financial

Total revenues	\$4,966,012,000	4,623,229,000
Net income	\$ 341,700,000	314,019,000
Net income per share	\$ 4.95	4.55
Dividends paid	\$ 158,833,000	159,015,000
Dividends paid per share	\$ 2.30	2.30
Capital and exploration expenditures	\$ 720,375,000	713,279,000
Total assets	\$5,650,724,000	5,397,471,000
Shareholders' equity per share	\$ 51.50	48.89
Working capital	\$ 697,863,000	484,298,000

Operating

Crude oil and natural gas liquids,
barrels per day —

Net production	769,300	744,439
Refinery input	989,537	977,426
Natural gas sold, thousand cubic feet per day . .	3,642,478	3,453,557
Refined products sold, barrels per day	1,122,910	1,073,504
Chemicals, plastics, and fertilizers sold	\$ 481,639,000	392,046,000

Earnings Growth Resumed, Net at New High; Records Set in Production and Sales

To Our Shareholders:

During 1971, we accomplished our major objective of bringing about a resumption of growth in earnings, after a decline in 1970 which, while slight, was the first our company had sustained after more than 10 years of annual gains. Consolidated net income of \$342 million in 1971 was the highest in our history, and 8.8 per cent above the 1970 level. Earnings per share increased from \$4.55 in 1970 to \$4.95.

Operations were conducted at record levels in 1971, from crude production through sales of refined products, natural gas, and chemicals. The largest gain was in chemicals, which had been depressed in 1970 by the economic slowdown. These sales increased nearly 23 per cent in 1971, to \$482 million.

Our base for future earnings growth was further broadened in 1971. In the United States, significant oil and gas discoveries were made, both onshore in the Rocky Mountain area and offshore in the Gulf of Mexico. During the year, we also added over 5 million leasehold acres to our domestic exploratory holdings.

Offshore Trinidad, development of major discoveries on our full-interest, 1.2-million-acre license area was accelerated. During the year, 13 additional wells were completed — one of which discovered an important new oil and gas field. Production from the first of the oil fields located on these holdings began in early 1972, and is expected to reach a level of about 95,000 barrels daily by year-end. The oil is a high-quality, low-sulfur grade, well suited to meet the stringent sulfur limitations being placed on fuels to check air pollution. A long-term sales agreement, covering development and liquefaction of the natural gas reserves for use in U.S. markets, was also negotiated early in 1972. The agreement, subject to governmental approvals, calls for delivery of more than 3.5 trillion cubic feet over 20 years.

Other important overseas discoveries were made

during 1971. The North Sea, where we rank as a leading natural gas producer, is earning the status of a major oil province, and we have been active participants in this development. In Norwegian waters, the group for which we are the operator drilled a successful delineation oil well on the Torfelt structure 1.6 miles east of our 1970 discovery well. The discovery has been further confirmed by another company's offsetting well, 2.2 miles west.

We also completed our second successful oil well on acreage in British waters east of Scotland.

In the Western Desert of Egypt, 161 miles west of Cairo, a potentially significant discovery was completed flowing a daily aggregate of 7,200 barrels of oil, plus considerable quantities of natural gas. In the El Morgan field in the Gulf of Suez, gross

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Chairman and president inspect expanded chemical plant at Decatur, Alabama.

production in 1971, averaging 242,000 barrels a day, fell below the 1970 level because of a decline in reservoir pressure. A pressure maintenance project to reverse this decline is under way.

Competition in domestic product markets was intense in 1971, particularly in the marketing of gasoline. However, the company strengthened its position as the nation's leading marketer of unleaded gasolines. We obtained about 90 million gallons of federal government business alone, because of stricter fuel requirements for government vehicles. With the distribution program for the new unleaded Amoco Gasoline essentially complete, we are now prepared for a period of more stringent automotive emission controls with the capability of supplying motor fuels which will meet all current requirements.

Chemical manufacturing capacity was further expanded during the year. With the resumption of rapid growth in demand for polyester fibers, demand for dimethyl terephthalate (DMT) and purified terephthalic acid (PTA) — the primary feedstocks for these man-made fibers — also rose. The company is the largest commercial supplier of DMT and PTA, and, at mid-year, a new 400-million-pound-a-year PTA plant was put on stream. Our position as a major supplier of polypropylene was strengthened by the addition of a new unit expanding production capacity by 150 million pounds a year, to a total of 400 million pounds. We maintained our leadership in the manufacture of synthetic carpet backing — both in the United States and abroad — while penetrating new industrial areas with a variety of woven plastic fabrics.

Costs of all types continued to rise in 1971. In addition to the large capital and exploration expenditures necessary to conduct our basic operations, we again committed increasing amounts of funds and attention to air and water conservation projects and to other programs designed to meet the company's obligations

to society. However, we continue to regard our primary obligation as the earning of an adequate return on our shareholders' investment.

As for the new year, with the acceleration of growth in the U.S. economy now foreseen, demand for petroleum products will be strong, and record operations are anticipated. How effectively inflation will be controlled remains to be seen, and our labor costs are already rising under the two-year agreements concluded early in 1971. Higher investment costs and operating expenses overseas can also be expected as a result of devaluation of the dollar. With product prices subject to both governmental controls and strong competitive pressures, overcoming higher wage and other costs will present a clear challenge.

However, offsetting operational gains are expected to be substantial. Higher production of crude oil and natural gas liquids is anticipated, both in North America and overseas. Sales of natural gas are scheduled to increase, particularly in Canada and the United Kingdom. Major volume gains in chemicals and plastics are expected, both here and abroad, along with increased sales of refined products. On balance, the prospects for a further improvement in earnings appear good.

We gratefully acknowledge the support of all who helped make 1971 a successful year, and express our thanks to our shareholders for their continued confidence.

John E. Swearingen Chairman

Robert C. Guinness President

March 3, 1972

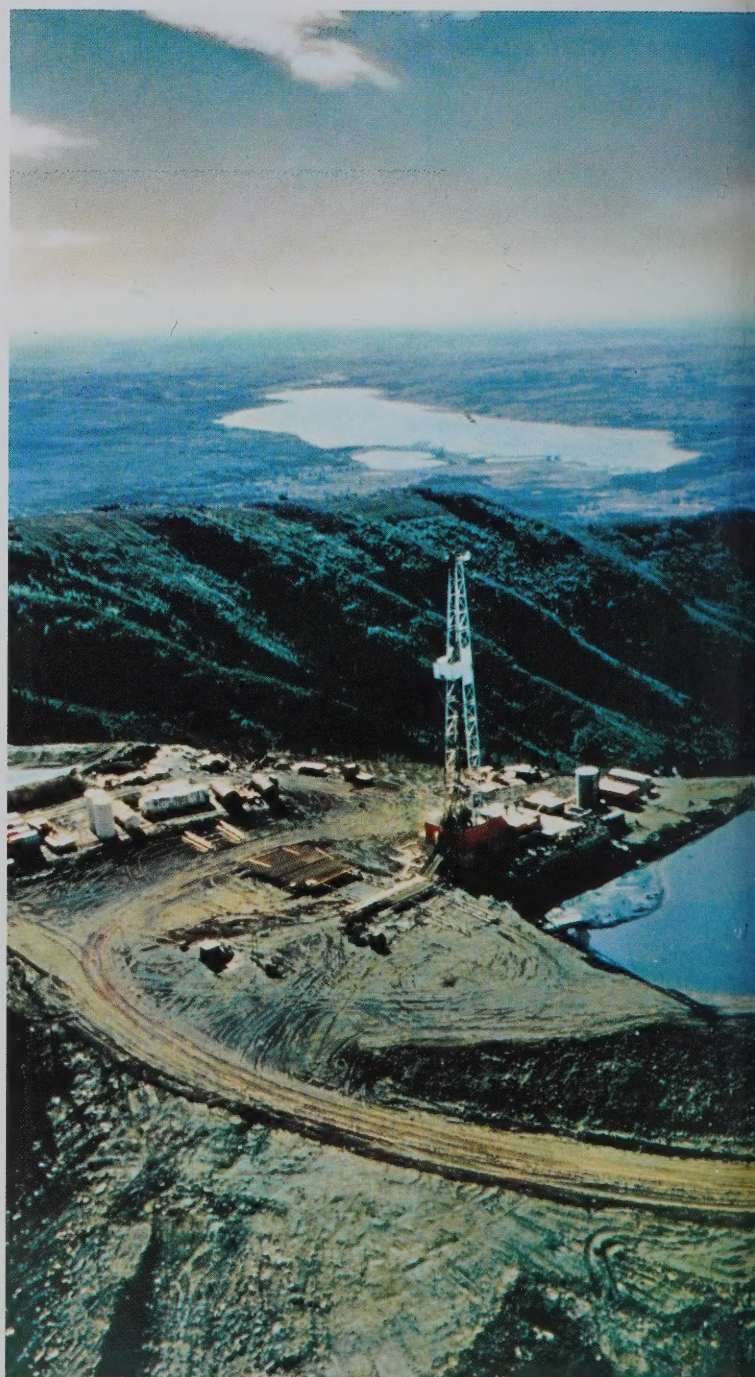
Crude Oil and Natural Gas Production Rises; Exploratory Drilling Activity Increased 27%

Production Highlights. Our net production of crude oil and natural gas liquids in North America increased slightly in 1971, to a record average 531,831 barrels daily. Rising energy demands and increased Canadian capacity raised our North American natural gas production to an average 3.4 billion cubic feet daily in 1971, also a new record.

Upon completion of a dehydration facility at Beaver River in northeastern British Columbia, we began deliveries of natural gas late in 1971 on a long-term sales contract covering over 2 trillion net cubic feet. The 1971 delivery rate averaged 175 million cubic feet of gas a day. In addition, we contracted with a utility for the intrastate sale of gas from 100,000 net acres in northern lower Michigan. At year-end, 95 per cent of our proved gas reserves in North America were committed under existing gas sales contracts.

Exploration. We drilled or took part in drilling 379 gross exploratory wells in North America during 1971, a 27 per cent increase over 1970, but 100 fewer than in our record year of 1969. To help process our acreage, we supported the drilling of 716 wells by others, with contributions of land or money. In such a program, we generally retain a percentage of production from successful wells on contributed acreage and obtain information helpful in evaluating our other acreage nearby. Our net interest in the 1971 working-interest wildcats was equal to 278 wells, 103 more than in 1970. The most significant areas were:

Rocky Mountains: We drilled 124 net wells, supported with money and acreage the drilling of 210 wells, and conducted an extensive seismic program on and near the 7.5-million-acre Union Pacific Railroad land grant, stretching across parts of Colorado, Wyoming, and Utah. Of our net wells, 107 were wildcats drilled in partnership with a gas transmission company in the Wattenberg prospect area, a 626,000-acre area north of Denver. The 72 gas completions made as a result of this



Wildcat well in northwest Canada's Pointed Mountain gas area.

drilling represent a major field discovery. We hold approximately 300,000 acres within the Wattenberg area and plan to drill 200 more wells in 1972 to define and develop the field.

Offshore Louisiana: We participated in drilling 19 wells on, or offsetting, 10 blocks of federal offshore leases that we acquired in December, 1970. Discoveries have been drilled on five of the blocks.

New Mexico: In Eddy County we completed a discovery well with calculated daily open-flow potential of 45 million cubic feet of gas plus 1,485 barrels of condensate. We have 71 per cent working interest in the discovery well and 32.8 per cent in the rest of the 4,968-acre unit.

Alberta: We participated in two significant discoveries in the Ricinus area of west central Alberta. A fully owned wildcat flowed 4.7 million cubic feet of gas with 259 barrels of condensate and LP-gas a day. The other discovery, 50 per cent

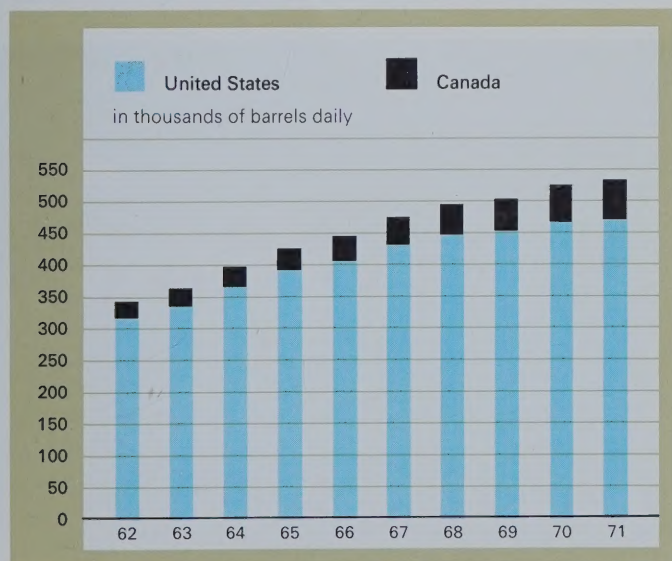
owned, tested 8 million cubic feet of gas daily.

Michigan Basin: Of the 1971 wildcats we drilled, 13 out of 19 were producers, including our first discovery in southern Michigan, which was completed flowing 5.6 million cubic feet of gas daily. We control substantial acreage on trend with this fully owned wildcat. The other 12 discoveries were in the northern lower peninsula reef trend where 80 per cent of our wells have found oil or gas. While small in area, the fields appear attractive, due to favorable oil and gas prices in nearby markets.

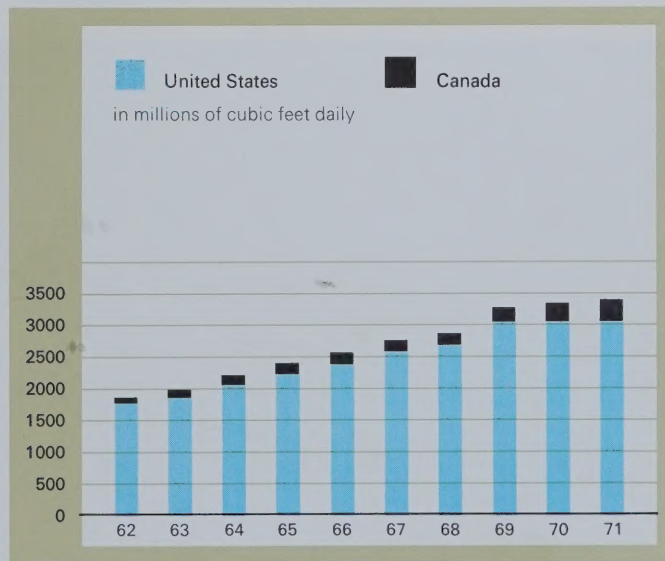
Oklahoma: Two concurrently drilled wildcat wells, partly owned, discovered the Northwest Norge field. The company has an average working interest of 53 per cent in 16 producing wells in the field.

Grand Banks: Three test wells were drilled and abandoned on the 34-million-acre Grand Banks block off Newfoundland, shared equally with a partner. A second drilling vessel will be added in 1972.

North American Crude Oil Production



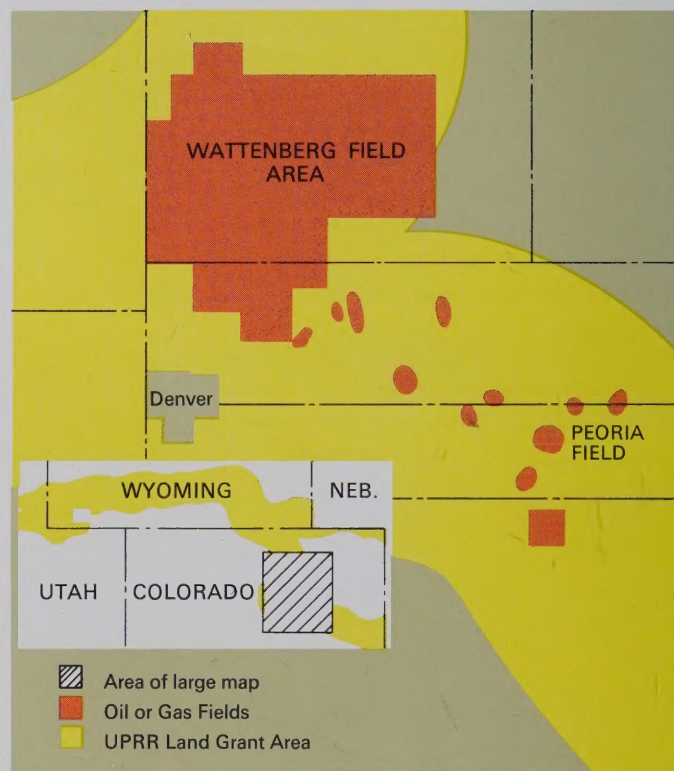
North American Natural Gas Production



Development Drilling Declines in U.S.; Activity in Louisiana, Colorado, Michigan

Development. During 1971, we drilled or participated in drilling 991 development wells, a decrease of 28 per cent from 1970. Our net interest was equal to 487 wells. Important areas of development included:

Louisiana: Development drilling was completed in five offshore fields in the Gulf of Mexico, and further drilling began from five new platforms. Net production initiated from new offshore wells during the year amounted to about 4,900 barrels of oil and condensate and 148 million cubic feet of natural gas a day. Production that began in January from Eugene Island Block 215 was interrupted in October by a fire on the platform deck. Three men escaped without injury. The fire burned 45 days before relief well drilling, down-hole shutoff devices, and surface capping techniques halted the flow of oil and gas from the five wells. Little oil reached the surface of the Gulf and none ever threatened coastal areas. The safety and production equipment of the platform had passed two inspections earlier in the year. Our portion of the cost to control the blaze and restore the wells to production is estimated at \$7 million, part of which is covered by insurance.



Gas processing plant went on stream in March, 1971, at Peoria field, Colorado.

Restoration of production, approximately 1,750 net barrels of crude and condensate and 14.1 million net cubic feet of gas a day, is expected in mid-1972.

Colorado: We drilled 16.3 net development wells during the year on Union Pacific Railroad land grant acreage in northeastern Colorado in seven different fields. After two years of development activity on that acreage, our northeastern Colorado year-end net oil production was 3,200 barrels of oil a day from 33.95 net oil wells. In addition, we had completed 10.5 net gas wells, of which 10 wells were shut in, pending pipeline connection. Four full-interest wells in the new Poncho field of Adams County were completed with combined initial flowing potential of 1,500 barrels a day.

Anadarko Basin: Some 17 net development wells drilled in western Oklahoma and the Texas Panhandle added significantly to our oil and gas reserves in 1971.

Michigan: Completion of transportation facilities in 1972 is expected to permit us to increase our daily Michigan net production to 1,600 barrels of oil and 12 million cubic feet of gas from existing wells.

Gas Processing. Construction was completed on three natural gas processing installations. We now operate for ourselves and partners 38 plants and have interests in 33 plants operated by others. In the Pointed Mountain area of the Northwest Territories, construction was started on a natural gas facility designed to dehydrate 188 million cubic feet a day. It is similar to the larger dehydration facility put on stream late in 1971 at Beaver River, British Columbia.

Oil and Gas Reserves. At the end of 1971, our estimated North American reserves of crude oil and natural gas liquids totaled 3,123 million barrels, a reduction of 115 million after producing 194 million barrels during the year. Our year-end reserves of natural gas totaled 18,333 billion



Petroleum engineers run tests on equipment in automated Hastings field, Texas.



cubic feet, a decline of 696 billion after we had produced 1,236 billion cubic feet for the year.

Increased tax burdens on the industry, continuing regulatory pressures on natural gas prices, and the uncertain outlook for the oil import control program contributed to an adverse economic environment which tended to limit exploratory expenditures during the year. This has been an industrywide pattern in recent years in North America, and it follows that industrywide reserves and production capacity are beginning to reflect the effects of a lower level of reinvestment. As a consequence, it is becoming evident that imports will supply an increasing fraction of domestic petroleum demand. To reduce this dependency on uncertain overseas sources, greater incentives are necessary for oil and gas exploration in North America. Large volumes of reserves remain to be discovered, particularly offshore. We are confident that, in due course, federal policies will be modified to remove the uncertainties and obstacles now present in conducting offshore operations, and that these reserves will be

brought into the domestic supply picture.

An additional factor has been the declining backlog of potential reserves amenable to ordinary secondary recovery methods. We believe that improved technology and higher prices will eventually enable us to include significant additional reserves which are not now considered recoverable.

Undeveloped Holdings. At year-end, our net undeveloped leaseholds totaled 18.1 million acres in the United States and 5.3 million acres in Canada. We also have 5.3 million acres in the U.S. and 47.6 million acres in Canada under option or permit.

We entered into an agreement to explore for oil and gas on 1.5 million acres in western New York, northwestern Pennsylvania, and northeastern Ohio, an old shallow producing area with possibilities for new, deep production. By acquiring additional acreage in the Appalachian Basin, we had approximately 3 million acres under lease or option at year-end.

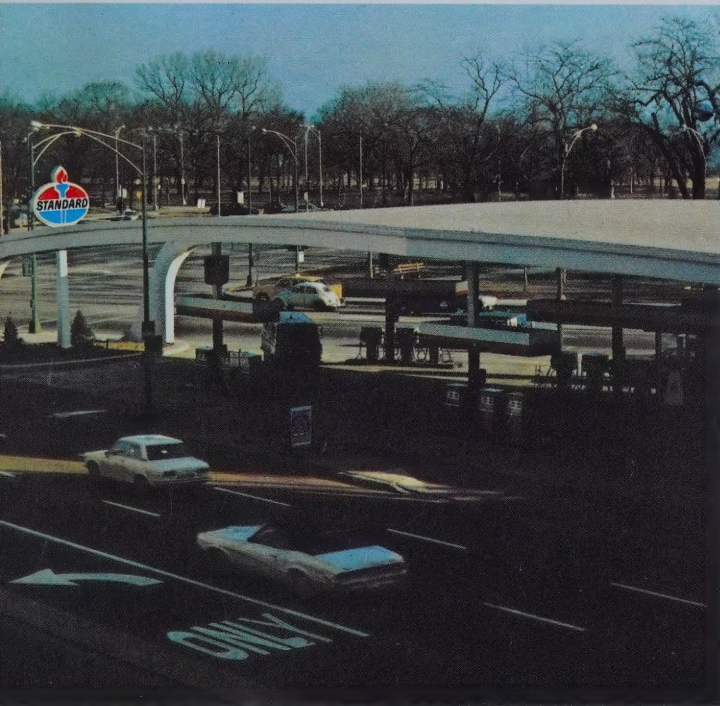
In Michigan, we acquired an additional 818,000 acres, increasing our undeveloped acreage in that state to over 1.4 million acres. Along a promising geological trend from Jasper and Clark counties, Mississippi, through Clarke County, Alabama, and Santa Rosa County, Florida, we acquired 710,000 acres for a total 2 million acres. We leased approximately 790,000 acres in another prospective area in south-central Florida, and also agreed to conduct seismic work on 106,000 acres in Alabama.

Improved Technology. To increase efficiency and optimize recovery, we completed installation of three computer-operated field automation systems and participated in starting 16 secondary recovery projects. Pilot tertiary miscible projects — for recovering a third yield of oil beyond primary and secondary depletion — are planned for four major waterflood units in West Texas.



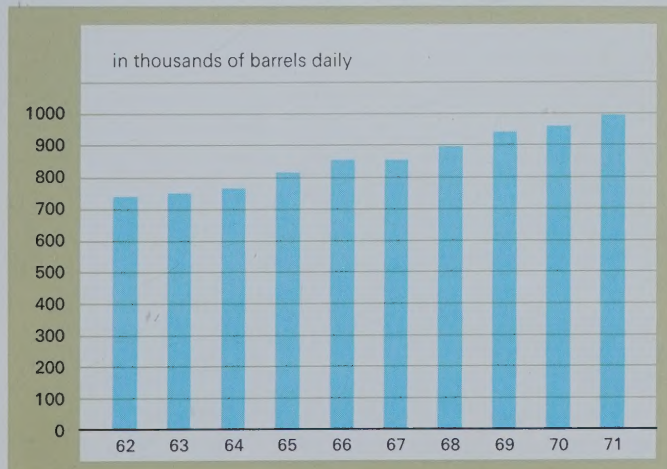
Semi-submersible rig on way to Grand Banks drilling site.

Refined Product Sales and Revenues Rise Despite Soft Gasoline Prices



First outlet with modernized Torch and Oval sign was this special-design, high-volume service station in Chicago.

Refined Product Sales—North America



Marketing

The company's domestic sales of refined products rose 3.7 per cent to 998,294 barrels a day, and revenues were up slightly to \$2,870,000,000. Sales of gasolines averaged 471,610 barrels a day, a little above 1970. Gasoline prices, which started the year strongly, failed to maintain those levels, and our average realizations from this most important product were a shade below 1970. Warmer-than-normal weather during the heating season depressed fuel oil sales. However, natural gasoline and condensates, jet fuels, diesel fuels, and lubricating oils all showed large volume gains. Asphalt volume rose modestly, and its prices were much improved.

Despite some consumer resistance to unleaded, lower-octane gasoline at prices above leaded regular grade, we strengthened our position as the leading marketer of unleaded fuels in 1971. The company obtained about 90 million gallons of federal government business as a result of an executive order requiring unleaded or low-lead gasolines in government vehicles able to use these gasolines.

To protect the quality of our unleaded gasolines against possible lead contamination after manufacture, a program was set up to monitor quality at terminals and service stations, using specially equipped mobile vans.

In an effort to establish better representation in some areas, 17 jobbers, with a combined potential of over 75 million gallons of gasoline a year, were recruited to sell our products rather than those of competitors. We terminated a long association with a Detroit jobber. Our company intends to market only through its own dealers and employees in that city in the foreseeable future.

Construction was completed in Hammond, Indiana, on a warehouse that will supply tires, batteries,

Refinery Runs Advance; New Units Constructed at Texas City and Whiting

and accessories to jobbers, agents, and dealers in six states. It replaces a building destroyed by fire in 1970 and is the largest of our nine master warehouses. A program to manage inventories through computer controls was completed at the other eight locations across the country.

During 1971, a computerized lubrication survey program was put into effect for large commercial accounts. A printout gives the customer the lubrication recommendations for each machine he operates. This program helps us secure new business and retain existing business.

As an experiment, we introduced a leaded sub-regular

grade of gasoline, called American Special, at 29 service stations in the Wichita, Kansas, metropolitan area. Priced below our regular grade, this brand has been competing successfully with products of strong cut-rate operators in that area.

Manufacturing

Company refineries in the United States processed a record 907,736 barrels a day of crude oil and natural gas liquids, slightly over the 1970 average. Manufacturing facilities were further adapted to meet the projected demand for unleaded gasolines.

At Texas City, a fourth Ultraformer was put on stream,



Texas City's fourth Ultraformer, put on stream in 1971, uses newly developed low-pressure process.

using our newly developed low-pressure process to reform low-octane naphtha into high-octane stocks. This is a 40,000-barrel-a-day unit. Crude distillation capacity at Texas City was expanded by 43,000 barrels a day, totaling 313,000 barrels a day at year-end. Texas City's aromatics extraction capacity was increased by 8,000 barrels daily, and additional facilities were completed for gas recovery.

At Whiting, construction was started on a 40,000-barrel-a-day Ultraformer — the fourth unit to use our patented reforming process at that refinery. Also at Whiting, a 150-ton-a-day sulfur recovery unit replaced a less efficient unit, and facilities for storage, treating, and shipping were modernized.

Among the improvements in operating efficiency was the adoption of a new infrared inspection technique, originally developed in medical research, for on-stream testing at Texas City. With broad potential use for on-stream repairs, repair planning, and turnaround planning, it is being installed in other refineries and in transportation facilities.

In May, 1971, we announced plans to close the small, 50-year-old El Dorado, Arkansas, refinery about March 1, 1972, because of a dwindling local supply of crude oil and obsolescence of facilities. Of the 269 affected employees, 167 have accepted transfers to other company locations. More than 400 acres of land and several buildings will be donated to the county government to help stimulate future industrial growth.

Transportation

Our wholly-owned crude oil and products pipeline systems were further automated to provide improved efficiency and lower operating costs.

Colonial Pipeline Company, of which we are the second largest owner with 14.32 per cent interest, began a program, at a cost of more than \$100 million,



Application of liquid fertilizer with new micro-nutrient additives increases corn yields.

to add a second 36-inch products line from Baton Rouge to Atlanta and to increase pumping capacity along the common-carrier line from the Texas Gulf Coast to the New York area.

Our North Dakota pipeline system was connected to a Canadian line to receive production from Saskatchewan, supplementing North Dakota crude production and permitting our Mandan refinery to operate at capacity. A major expansion was begun to increase the capacity of our crude oil system to deliver oil from East Texas fields to the Gulf Coast by 25,000 barrels a day.

During 1971, improvements were made in our domestic tanker fleet. Cargo tanks were replaced or repaired and engine rooms were automated to extend vessel life and increase operating efficiency.

Carpet Backing and Base Materials For Polyester Clothing Lead Sales Gain

Our sales of chemicals, plastics, and fertilizers in North America increased 19 per cent to nearly \$403 million in 1971.

Unprecedented demand for men's polyester double-knit clothing, in addition to drip-dry clothing, tire cord, and film, spurred a resumption of the rapid growth in demand for the intermediate chemicals from which these products are made — dimethyl terephthalate (DMT) and purified terephthalic acid (PTA). As the leading commercial supplier of these chemicals, we increased sales volume 35 per cent in 1971. We completed and put on stream at mid-year a 400-million-pound-a-year PTA plant addition at Decatur, Alabama.

North American sales volume in the rapidly growing field of woven plastic fabrics increased 85 per cent to 329 million square yards. Carpet-backing, woven from strands of polypropylene, is our principal plastic fabric. Priced competitively with jute, it has made steady inroads into a market once served entirely by jute. When jute supply was disrupted in 1971 by a dock strike and war between Pakistan and India, our fabric filled the void. Its growth potential was further enhanced in 1971 by a process to make the backing take on any dye color used for the carpet pile.

The nation's largest producer of animal feed has completely converted to our woven polypropylene fabric for its bag material. A new leno weave, netting used for produce bags, was introduced.

Our polystyrene made large advances in two growing markets: furniture and serving trays for meals in schools, hospitals, and airplanes. Sales of plastic pipe and fittings were up 35 per cent, and sales of structural foam products 55 per cent.

With prices considerably improved, fertilizer sales rose 13.6 per cent.



New polypropylene plant at Chocolate Bayou, Texas.

Polypropylene production capacity was expanded by 150 million pounds a year to a total of 400 million pounds when a new unit came on stream at Chocolate Bayou, Texas, in August. This thermoplastic is increasingly important to the automotive, appliance, fiber, and housewares industries. After start-up difficulties, a high-density polyethylene plant at Chocolate Bayou, designed for 100 million pounds a year, began producing for the market. Sales of polybutenes and of viscous polypropene were at record levels.

High-density polyethylene film was added to our line of packaging films, and gross sales in our food-service line rose 27 per cent.

Sales of petroleum additives, which improve performance of lubricants, increased 19 per cent as we introduced several new additives for motor oils and diesel locomotive oils. We began marketing chemicals for water and waste treatment and new chemicals to improve oil well production.

Sulfur recovery from our North American operations rose to 1,557 long tons daily, up 4 per cent. High costs and weak prices caused us to shut down the sulfur mining facility at High Island, Texas.

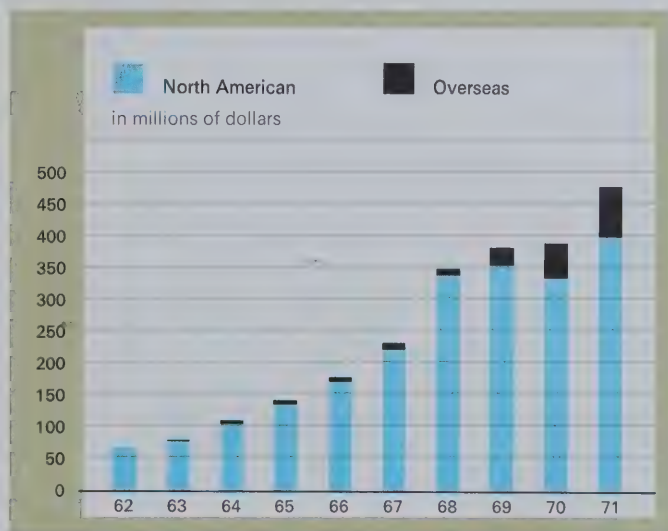
Below is a summary of our North American sales of major chemicals, in thousands of dollars:

	1971	1970
Chemicals	\$116,518	\$ 97,566
Fabricated products	106,714	72,415
Fertilizers	71,236	62,722
Polymers	50,522	43,716
Agricultural chemicals	30,485	28,717
Petroleum additives	17,998	15,106
Sulfur	6,716	7,472
Other	2,677	9,950
	<u>\$402,866</u>	<u>\$337,664</u>



Lively show features our products at plastics exhibition.

Sales of Chemicals, Plastics, and Fertilizers

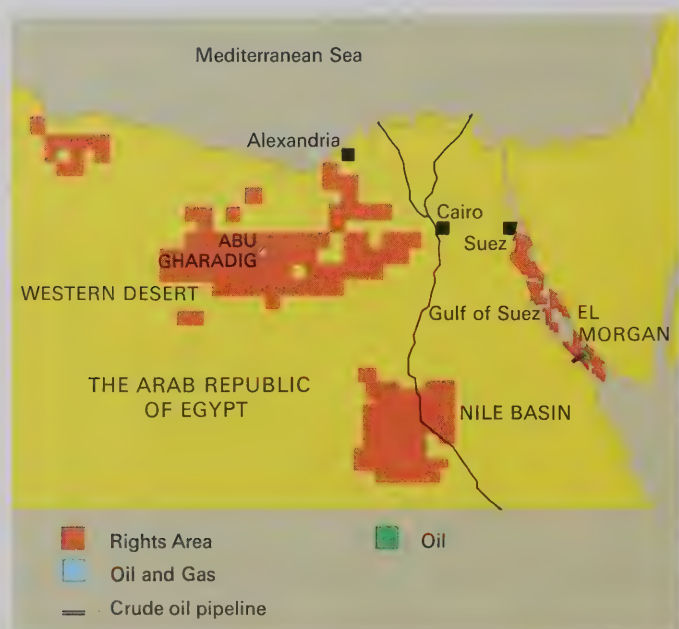


Crude Production Up 8%, Natural Gas 49%; Discoveries Confirmed in Egypt, North Sea

Net overseas production of crude oil and natural gas liquids increased 8 per cent to a record average of 237,469 barrels a day in 1971. Overseas production accounted for 31 per cent of the company's total. Natural gas production overseas averaged a record net 245 million cubic feet a day, up 49 per cent, and equivalent to 7 per cent of the company's total gas production.

Product sales abroad rose 13 per cent to average a record 124,616 barrels daily for the year. This was 11 per cent of the company's total. Our overseas refineries processed a net average of 81,801 barrels of crude oil a day, down slightly. Overseas chemical sales in 1971 were a record \$79 million, an increase of 45 per cent, and amounting to 16 per cent of consolidated company chemical sales.

One of the most important developments was bringing our Trinidad crude oil fields to the production stage. Production began in January, 1972, and is expected to be about 95,000 barrels a day by year-end.



Exploration and Production

Africa

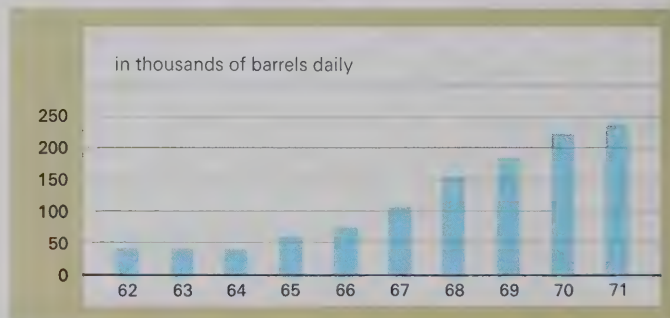
In Egypt, gross production of crude oil from our El Morgan field in the Gulf of Suez averaged 242,000 barrels daily, down 27,000 from 1970, as reservoir pressure declined. A pressure maintenance project has been started. Our net interest in the production is 40 per cent. Oil and gas were discovered in the desert, 161 miles west of Cairo. The discovery well tested oil in excess of 4,000 barrels a day and gas at a rate of 49.4 million cubic feet a day with 3,200 barrels a day of condensate. Subsequent drilling indicated the probability of significant gas reserves, but commerciality of the oil depends on further delineation drilling.

In Libya, net crude production averaged 12,942 barrels daily, about double the 1970 volume. In Mauritania, a seismograph survey was begun on a 7.2-million-acre concession in which we have 60 per cent interest.

Asia

Iran. Crude oil production from the Darius and Cyrus fields in the Persian Gulf rose to 62,314 net barrels daily, from 46,284 net barrels during 1970. Darius gross production averaged about 100,000 barrels daily, or 50,000 net. In the Cyrus field, installation of a million-barrel storage barge late in

Crude Oil Production—Outside North America



1970 permitted production to rise to a daily average of 25,000 gross barrels, or 12,500 net, in 1971. Development plans for the Fereidoon and Ardeshir fields are progressing. Our company shares equally in the four fields with the National Iranian Oil Company.

Other Areas. We conducted tests or surveys off Japan, in Pakistan, and off Taiwan, and were awarded exploration rights off Australia and off Thailand.

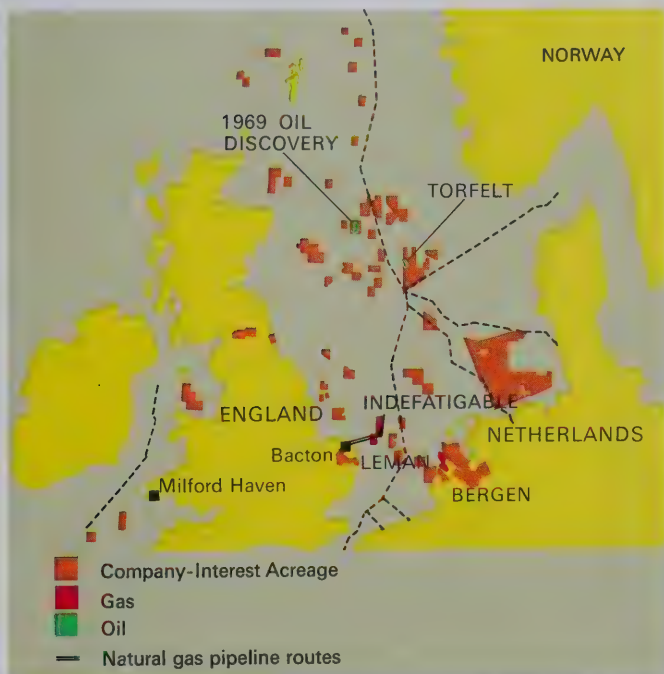
Europe

The Netherlands. In the Bergen natural gas production concession, in which we hold 36 per cent interest, we are proceeding with development drilling and a treating facility for gas scheduled for delivery in 1972. Gross production is now expected to begin at 46 million cubic feet a day, and to rise steadily into 1974. The company obtained 37.5 per cent interest in a 457,000-acre exploration drilling permit and 60 per cent interest in a 107,000-acre

exploration drilling permit, both in North Holland.

Norway. In the North Sea, the Amoco-Noco group, for which we are operator, drilled a successful delineation oil well on the Torfelt structure 1.6 miles east of the 1970 discovery, 180 miles southwest of Stavanger. The discovery has been further confirmed by another company's well 2.2 miles west. Each of the three tested oil at rates over 3,400 barrels daily on small chokes. We have 28.3 per cent interest in 141,000 acres in the discovery block and in 891,000 acres surrounding it. We also have 25 per cent interest in 185,000 acres elsewhere in the Norwegian North Sea.

United Kingdom. Net production of North Sea natural gas averaged 186 million cubic feet a day, 63 per cent over last year. Indefatigable field started production October 1. A second crude oil well had encouraging results five miles north of the



Shore station receives first gas from Indefatigable field.

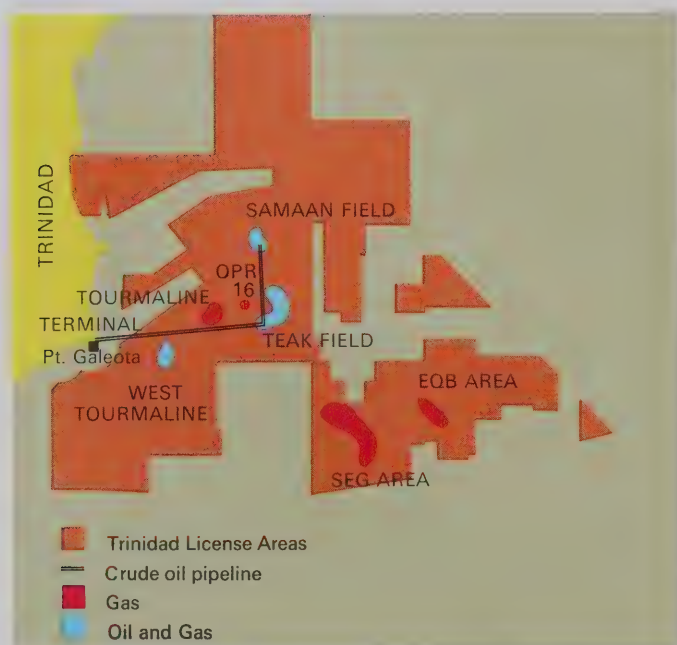
Trinidad Production Begins; Building Starts on 2 Refineries; Chemical Sales Rise 45%, to \$79 Million

1969 North Sea discovery well on the 155,000-acre block 135 miles east of Aberdeen, Scotland, in which we have 30.77 per cent interest. Awards in 1971 brought our U.K. production licenses at year-end to a million net acres, primarily offshore.

Latin America

Argentina. Crude oil produced under contract for the government oil agency averaged 47,073 barrels daily, 9 per cent over 1970. Exploratory drilling started in the 525,000-acre Chihuido contract area, where we hold 75 per cent interest. Seismic work is under way on a 1.7-million-acre Austral Basin tract, where we have 46.66 per cent interest.

Trinidad. Production of crude oil from the Teak field began in January, 1972, and the Samaan field, a 1971 discovery, is scheduled to start late in the year, with total production expected to reach about 95,000 barrels a day by year-end. Both fields are offshore on a full-interest license area of 1.2 million acres.



During 1971, delineation wells extended these two fields and the Southeast Galeota (SEG) area, and three wildcats made indicated oil and gas discoveries in new areas off Trinidad early in 1972. A second 12-well permanent platform was erected in the Teak field. A similar platform is scheduled to be put to use in the Samaan field in 1972. An agreement reached early in 1972 provides for the production and sale of natural gas from our large reserves off Trinidad, and for the liquefaction and delivery of the gas to U.S. markets. The long-term agreement, which is subject to approvals by Trinidad and U.S. government regulatory agencies, provides for the sale of more than 3.5 trillion cubic feet of gas over 20 years.

Venezuela. Production of heavy asphaltic crude oil from our wholly owned Jobo field is expected to increase from 31 producing wells drilled in 1971. Our Venezuelan production of 24,804 barrels a day nearly doubled the 1970 average.

Other. Seismic work began on two prospective areas in Ecuador. We have full interest in 988,000 acres, and 92 per cent interest in another tract of the same size. Early in 1972 we were awarded a contract (50 per cent interest) for petroleum exploration on 2.5 million acres in northeastern Peru.

Refined Product Sales—Outside North America





One of 55 Volkswagen agencies marketing our products in Belgium and Luxembourg.

Manufacturing and Marketing

Asia

The Madras, India, refinery, in which we own 13 per cent interest, processed 42,900 barrels daily of our jointly owned Darius (Iranian) crude, up slightly from the 1970 average. Daily gross sales from our half-interest Kharg Island, Iran, plant rose to 383 long tons of sulfur, up about 6 per cent; 5,200 barrels of LP-gas, an increase of more than 125 per cent, and 1,500 barrels of natural gas liquids, up 50 per cent. A refining and marketing company in which we have 33.3 per cent interest began building a 65,000-barrel-a-day refinery on Merlimau Island in Singapore harbor. We will supply 90 per cent of the refinery's crude oil for 10 years, and 66.6 per cent for the next 10 years.

Australia

We now have 4.6 per cent of the Australian market for petroleum products. At year-end, 459 service stations and 189 depots were in operation.

Europe

Amoco branded retail outlets increased to 1,243 in Italy, 369 in the United Kingdom, and 399 in West Germany. European product sales rose 16 per cent to 102,271 barrels daily. The refinery at Cremona, Italy, averaged a record 61,882 barrels of crude oil daily, and its capacity will be expanded

to 78,000 barrels daily by mid-1972. Construction began on an 80,000-barrel-a-day refinery at Milford Haven, Wales, with start-up planned for late 1973.

Chemicals

Overseas chemical sales in 1971 were a record \$79 million, 45 per cent over 1970. Sales of two products used to manufacture polyester fibers — PTA and DMT — reached \$30 million in 1971, from \$18 million in 1970. Our Geel, Belgium, PTA/DMT plant, operating at capacity, was expanded. Also being built at Geel is a facility to produce isophthalic acid (IPA), used in paints and polyester resins. A jointly owned company in Japan began producing IPA at a second plant in 1971.

Sales of petroleum additives for fuels and lubricants reached record levels in Europe and Japan in 1971. An additive manufacturing plant in Antwerp, Belgium, in which we hold a half-interest, will be doubled in capacity, to 34,000 tons a year, in 1972.

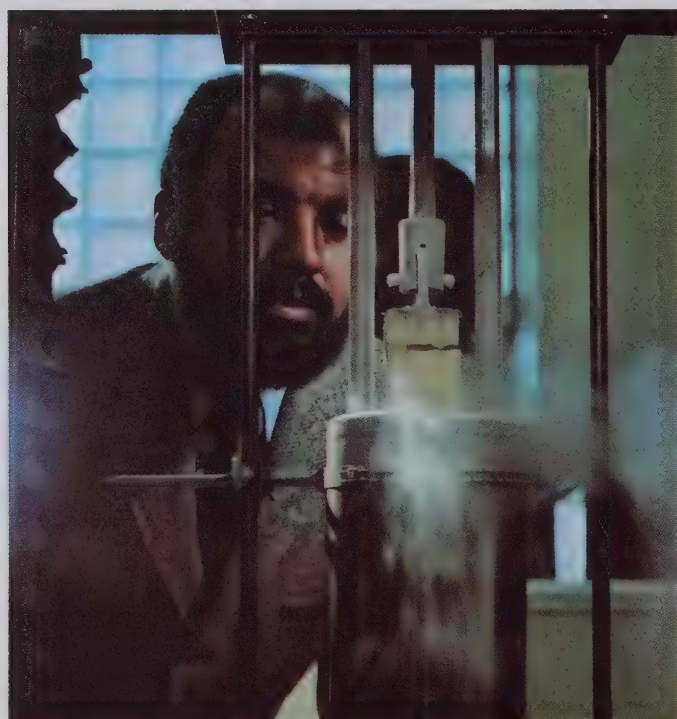
Production of our polypropylene woven fabrics in England and Germany increased 130 per cent, and a similar plant began operating in Australia. By year-end all units were on stream in the Madras fertilizer manufacturing plant, in which we hold 49 per cent interest. This facility has a capacity of 600,000 tons a year of nutrient products.

Licensing Income Increases; Work Resumed On Tar Sands; Refining Methods Improved

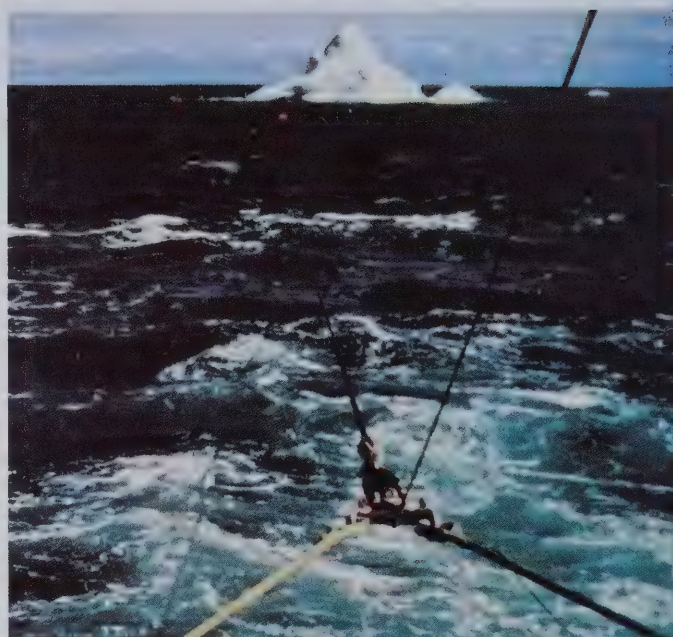
Our research scientists were awarded 314 new patents and applied for 439 others during 1971. Research and development expenses totaled \$35 million, while income from the licensing of our technology totaled about \$11.6 million for the year, up 10 per cent.

Exploration and Production. Much of the 1971 research in reservoir mechanics was directed toward uses in specific reservoirs for our sophisticated oil recovery processes. These include miscible solvent flooding and thermal recovery involving steam drive or underground combustion of oil.

In seismic surveys, dynamite is being replaced as a seismic wave source by non-dynamite surface sources, particularly in environments where use of dynamite is undesirable. Further improvements were made in the hydraulic vibrator, the most popular non-dynamite source. Work started on development



Scientist conducts laboratory test on liquefied natural gas.



Cooperative test of method to protect installations off Newfoundland from icebergs by towing them away.

of small portable recording instruments that will facilitate reaching difficult terrain.

We developed a model of a buoyancy-supported platform designed to drill and operate in water from 700 feet to two miles deep, as a supplement or alternate to underwater completion systems.

Instruments known as vibrator signal correlators were built, tested, and placed in field operation in 1971. They help obtain better seismic records by providing immediate monitors while a survey is in progress. Also developed were a seismometer-group amplifier and a power supply to drive large high-frequency vibrators.

We successfully tested a prototype tool that assists in assessing the producibility of formations encountered while a well is being drilled.

Another 1971 development, now being tested in our water treating systems in oil fields, was a method of removing very fine particles of oil that become entrained in water in the course of production.

Field research in our pilot test area of the Athabasca Tar Sands in northeastern Alberta, Canada, was resumed in 1971. The tar sands — fine sand containing bitumen, an asphalt-like oil — represent potential reserves of some 200 to 300 billion barrels of oil, more than six times the present known oil reserves of the United States, including Alaska. We have a 105,000-acre main block of land southeast of Fort McMurray. Our process, still being perfected, involves igniting the bitumen underground to liquefy the tar and make it flow to producing wells. Within a few years, we hope to be able to prove the technology and determine the economics of this process. The present test unit is a small prototype of what might be employed on a commercial basis.

Refining Processes and Products. We evaluated and put into use in several existing Ultraforming units a new catalyst that increases our capacity to produce high-octane reformed stocks for future unleaded gasolines. New methods were devised for upgrading the yield and quality of alkylate, one of the highest-grade components available for unleaded gasolines. The first operating unit has been adapted to use the improved methods.

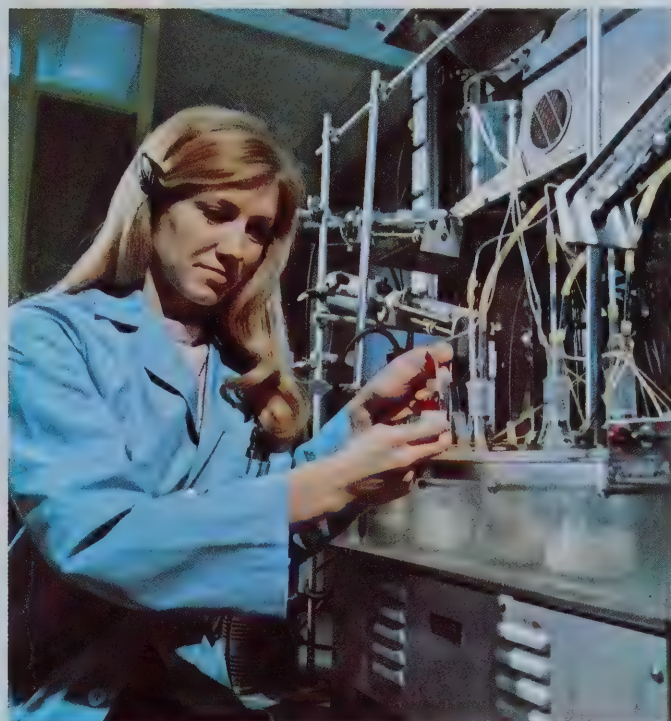
A new instrument was developed to measure road anti-knock performance of gasoline more accurately. We completed a large part of a test program demonstrating that the use of unleaded gasolines results in reduced auto maintenance costs.

Product research improved our three top motor oils sold at service stations. Our line of automatic transmission fluids was reformulated, using additives of our own manufacture. We developed an improved multipurpose grease for service station sales and

automotive fleets, introduced new versions of three lines of hydraulic and circulating oils, and developed a new line of rotary and reciprocating air compressor oils.

Chemical Research. We are engaging in product and process development in a very specialized field: fire-retardant fabric for children's clothing, sleepwear, upholstery, and draperies. Our scientists have developed a fire-retardant material that becomes part of the polymer from which polyester fabrics can be made. This product is being tested by selected customers in 1972.

Other developments included an improved plastic drain pipe, better fiber and impact grades of polypropylene, and a high-density polyethylene film for food packaging. New gasoline and motor oil additives were developed to cope with changes in automobile engines aimed at reducing emissions.



Research on high-protein yeast grown from petroleum.

Large Copper Deposits Indicated in Zaire Concessions; Prospects in 6 Other Countries Evaluated

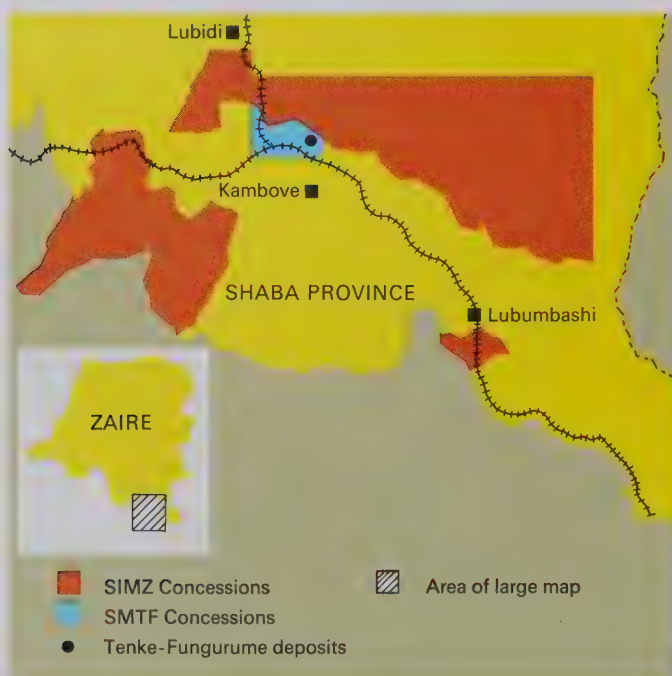
In 1971, the company stepped up its mineral exploration activities. Exploratory and development core drilling to a depth of 200 meters from the surface indicated important reserves of high-grade copper-cobalt ore in our concession in the Tenke-Fungurume area of the Republic of Zaire, formerly the Democratic Republic of the Congo. We core-drilled 157 holes. The weighted average for intersections in 73 holes for which assay data are available is 6.2 per cent total copper for 8.16 meters average core length in the upper ore body and 7.4 per cent total copper for an average core length of 11.32 meters in the lower ore body. Studies to determine the feasibility of developing these deposits are expected to be substantially complete by the end of 1972.

The company holds approximately 28 per cent of the equity in Societe Miniere de Tenke-Fungurume (SMTF), holder of the Tenke-Fungurume concession, and of the equity in Societe Internationale des Mines

du Zaire (SIMZ), holder of exploration concessions covering approximately 12,000 square miles in the province of Shaba, formerly known as Katanga. Regional reconnaissance exploration has been completed on the concessions held by SIMZ to allow selection and relinquishment of half the acreage as required by March 31, 1972.

In our search for copper, molybdenum, nickel, and other minerals, we evaluated a number of prospects in three Canadian provinces and five states of the U.S.

We began drilling on a joint-venture nickel prospect in western Australia, and began reconnaissance exploration in other areas of western and eastern Australia. At year-end we were awarded licenses to prospect over some 490 square miles in Ireland, and were investigating exploration opportunities in Mexico and Saudi Arabia.



Core drillers evaluate our Tenke-Fungurume copper area.



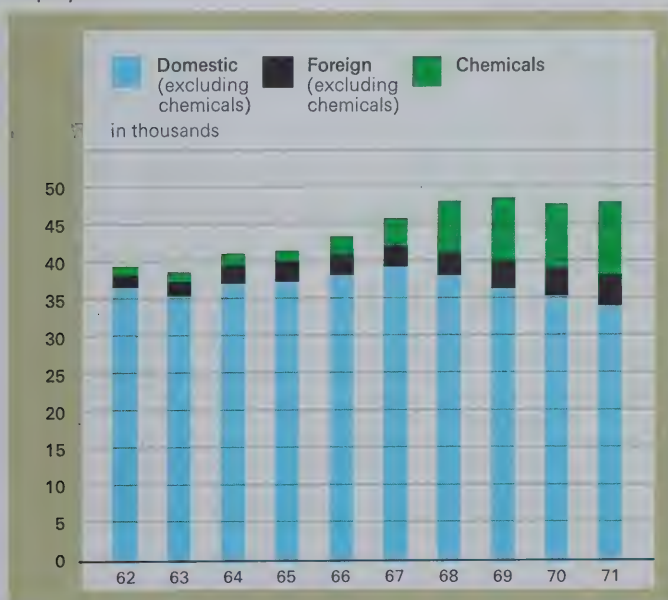
EMPLOYEES

Wage, Benefit Costs Up; Employment Rise Over Decade Attributable to Growth Areas

Wage and benefit costs increased \$53 million over 1970, mainly reflecting two-year contracts calling for wage increases of 8.5 per cent in 1971 and 7.5 per cent in 1972, plus benefit plan improvements. There were three minor East Coast strikes in 1971. The freeze on wages and prices had little over-all effect on our 1971 costs.

We had a net increase of 113 employees for the year to 47,664. While numbers of employees have risen over the last decade, the chart below demonstrates that the increases have been mainly in areas of new or greatly expanded operations. Employment in chemical and plastic operations has increased by 8,494, a nine-fold growth since 1962, while employment of foreign nationals in oil operations rose by 2,827, or 208 per cent. Domestic oil operations have grown substantially over the decade, but greater efficiencies have permitted a decrease of 8 per cent, or 2,840 employees. Many of those affected were transferred to other company operations or retired.

Employees at Year-end



Employees on this tanker set a world safety record.



Workers at controls of new chemical plant in Texas.

Air and Water Conservation Facilities Added; Minority Employment Increased, Enterprises Aided

The company was active in many areas to help improve the quality of both the physical and human environment needed for corporate growth. Spending related to air and water conservation in 1971 exceeded \$30 million and included: a 150-ton-a-day plant at Whiting that removes over 96 per cent of the sulfur from refinery gas; facilities at Texas City to clarify refinery water and to improve air and water effluents at a chemical plant; improvements in treating aerated lagoon effluent at the Yorktown refinery.

At the Joliet, Illinois, chemical plant, a settling tank and two more biooxidation basins were added to improve our treating of water leaving the plant. In Canada we built continuous sulfur dioxide emission monitoring systems at the Whitecourt, Bigstone, and East Crossfield gas plants. At East Crossfield, the sulfur production process was changed to reduce sulfur dust.

To improve recovery of oil accidentally spilled in open waters, we developed a new skimming device. We installed terminal facilities to minimize the possibility of spills in loading and unloading tankers.

Minority employment efforts in 1971 were supported by training programs for computer programmers and laboratory technicians. Additional minority dealers recruited brought the total active to 793. A third of the construction jobs on our new headquarters office building were filled by minority group members. In 1971 the company made aggregate short-term deposits totaling nearly \$19 million in 24 minority-owned banking institutions. Such deposits are expected to increase to a total of about \$30 million in 1972. A new program was instituted to increase our purchases from minority suppliers. A million-dollar box factory and an \$8 million bank, both new Chicago minority enterprises in which we are investors, showed healthy growth for the year.

Four rigs were used to drill relief wells to extinguish Gulf of Mexico fire and protect environment.



Corrugated box manufacturing company was aided by Standard Oil investment and customer support.



Earnings and Revenues at All-Time High; Costs, Expenses, and Taxes Increase

Earnings. Earnings increased 8.8 per cent in 1971 to a record \$341,700,000 compared with \$314,019,000 earned in 1970. Earnings per share of \$4.95 on 69,022,686 average shares outstanding also topped the previous record earnings per share of \$4.55 on 69,013,917 average shares outstanding in 1970. Four quarterly dividends of 57½ cents a share were paid in 1971, totaling \$2.30 a share. Dividend payments totaled \$158,833,000 in 1971.

Revenues, Costs, Expenses, and Taxes.

Revenues increased 7.4 per cent to a record \$4,966,012,000 in 1971. Continued expansion of company operations and increased sales volumes provided most of the increase.

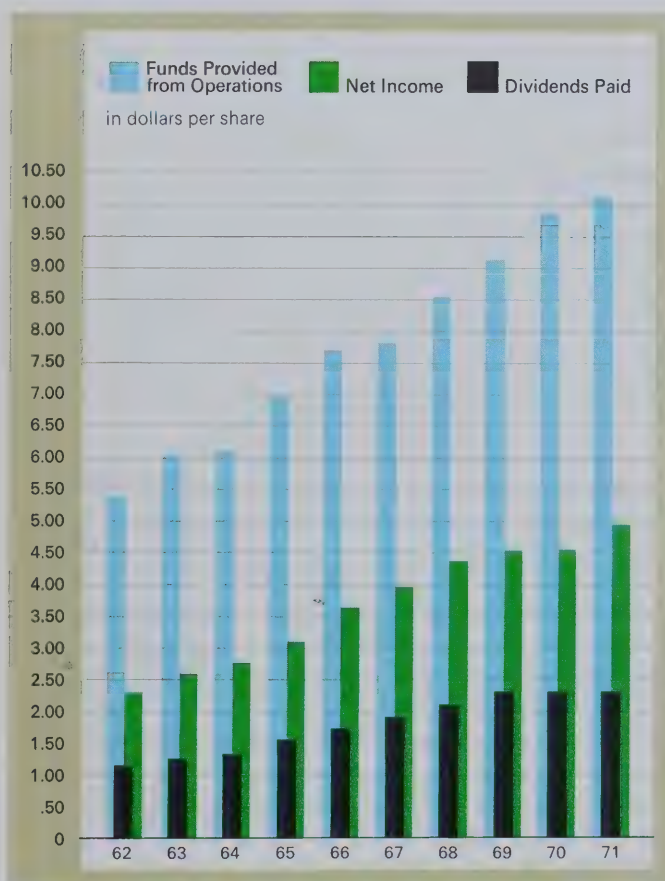
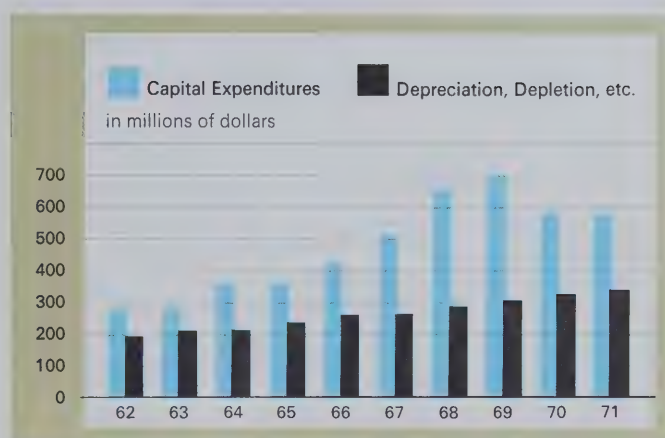
Costs, expenses, and taxes, totaling \$4,624,312,000 in 1971, were 7.3 per cent higher than in 1970. The increase was attributable to the higher level of operations, inflation of costs for goods and services, and higher employment costs.

Taxes totaled \$1,080 million in 1971, up slightly. Excise taxes collected on the sale of products to customers totaled \$836 million. Federal and other taxes on income amounted to \$108 million.

Capital and Exploration Expenditures. Capital and exploration expenditures amounted to \$720 million in 1971, compared with \$713 million in 1970. Exploration and production expenditures accounted for 20 per cent of the 1971 total. Capital expenditures totaled \$573 million. Exploration expenditures charged to income totaled \$147 million in 1971 compared with \$133 million in 1970.

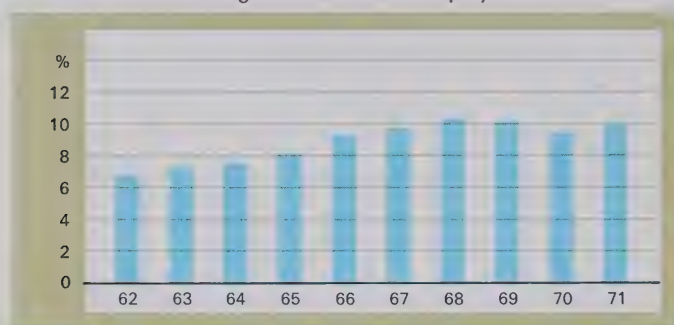
Working Capital. Working capital amounted to \$698 million at the end of 1971, an increase of \$214 million. Current assets were 1.91 times current liabilities.

Cash and marketable securities included in current assets totaled \$288 million at year-end, an increase



FINANCIAL REVIEW (continued)

Net Income as Percentage of Shareholders' Equity



of \$65 million. Notes and accounts receivable increased \$17 million to a total of \$712 million as a result of the rise in sales volumes.

Crude oil and product inventories totaled \$364 million, down \$18 million. These are stated at cost mainly on the last-in, first-out method (LIFO), which is substantially below replacement cost. Inventories of materials and supplies, stated at average cost or less, totaled \$67 million at the end of 1971.

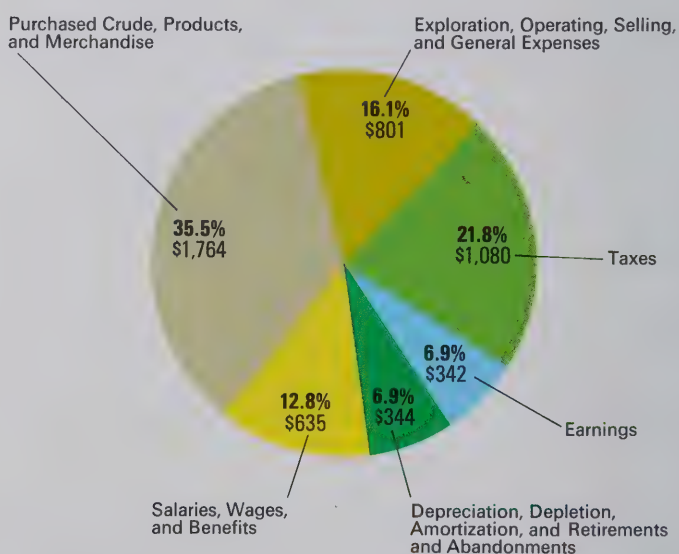
Accounts and notes payable decreased \$145 million to a total of \$578 million. The decrease resulted primarily from the retirement of short-term notes with funds provided from long-term borrowings.

Indebtedness. Including \$35 million due in 1972, total long-term debt at year-end was \$1,063 million, about 19 per cent of total assets. In April, 1971, we sold \$200 million of convertible debentures, primarily to retire short-term notes. The debentures are convertible into 2,836,879 shares of capital stock at \$70.50 a share.

Midwest Exchange Offer. We made an offer on March 2, 1972, to minority stockholders of Midwest Oil Corporation to exchange 1.68 shares, as a minimum under the exchange formula, of our company's stock for each share of Midwest stock tendered. At the end of 1971 we held approximately 68 per cent of the outstanding stock of Midwest and we hope to obtain a minimum ownership of 80 per cent. If this goal is achieved, future dividends received by our company from Midwest will no longer be subject to federal income taxes.

Use of the Revenue Dollar

(all income from all sources—in millions of dollars)



Investment in Properties

	(Thousands of Dollars)	1971 Capital Expenditures		Investment December 31, 1971			Investment December 31, 1970	
		Amount	%	Gross	Net	%	Net	%
Production		\$295,308	51%	\$3,562,825	\$1,916,575	48%	\$1,821,277	48%
Manufacturing		56,327	10	1,071,537	458,114	12	437,742	12
Chemicals		52,044	9	650,432	484,689	12	471,348	13
Transportation		60,883	11	673,943	316,513	8	282,616	8
Marketing		101,119	18	1,011,839	731,354	19	692,327	18
Other		7,200	1	101,241	57,102	1	57,379	1
Total		\$572,881	100%	\$7,071,817	\$3,964,347	100%	\$3,762,689	100%

Financial Statements Standard Oil Company (Indiana) and Subsidiaries

For the Years 1971 and 1970.

Consolidated Statement of Income

	1971	1970
Revenues		
Sales and other operating revenues (including excise taxes)	\$4,890,422,000	\$4,550,089,000
Dividends, interest, and other income	75,590,000	73,140,000
Total revenues	<u>4,966,012,000</u>	<u>4,623,229,000</u>
Costs, Expenses, and Taxes		
Purchased crude oil, petroleum products, merchandise, and operating expenses . .	2,343,968,000	2,116,408,000
Exploration expenses, including dry hole costs	147,494,000	133,517,000
Selling and administrative expenses	632,795,000	590,905,000
Taxes	1,079,592,000	1,063,753,000
Depreciation, depletion, amortization, and retirements and abandonments	343,907,000	325,242,000
Interest expense	71,272,000	73,855,000
Income applicable to minority interest	5,284,000	5,530,000
Total costs, expenses, and taxes	<u>4,624,312,000</u>	<u>4,309,210,000</u>
Net Income	<u>\$ 341,700,000</u>	<u>\$ 314,019,000</u>
Net Income Per Share	<u>\$4.95</u>	<u>\$4.55</u>

Consolidated Statement of Shareholders' Equity

	Par Value of Capital Stock	Capital in Excess of Par Value	Earnings Retained and Invested in the Business	Treasury Shares at Cost	Total
Balance at December 31, 1969 . . .	\$913,418,000	\$73,112,000	\$2,342,472,000	\$(103,510,000)	\$3,225,492,000
Net income			314,019,000		314,019,000
Cash dividends at \$2.30 a share . . .			(159,015,000)		(159,015,000)
Acquisitions and disposals of treasury shares (net)				(14,500,000)	(14,500,000)
Balance at December 31, 1970 . . .	913,418,000	73,112,000	2,497,476,000	(118,010,000)	3,365,996,000
Net income			341,700,000		341,700,000
Cash dividends at \$2.30 a share . . .			(158,833,000)		(158,833,000)
Acquisitions and disposals of treasury shares (net)				8,454,000	8,454,000
Balance at December 31, 1971 . . .	<u>\$913,418,000</u>	<u>\$73,112,000</u>	<u>\$2,680,343,000</u>	<u>\$(109,556,000)</u>	<u>\$3,557,317,000</u>

The Notes on pages 26 and 27 are an integral part of these statements.

Consolidated Balance Sheet Standard Oil Company (Indiana) and Subsidiaries

December 31, 1971 and 1970

Assets		1971	1970
Current Assets	Cash	\$ 103,957,000	\$ 102,651,000
	U.S. Government and other marketable securities — at cost, which approximates market	184,001,000	119,825,000
	Accounts and notes receivable (less reserves of \$33,500,000 at December 31, 1971, and \$32,743,000 at December 31, 1970)	711,550,000	695,035,000
	Inventories —		
	Crude oil and products — at cost (mainly LIFO), below market	364,138,000	382,402,000
	Materials and supplies — at or below cost	67,383,000	64,691,000
	Prepaid expenses and income taxes	34,947,000	38,912,000
		<u>1,465,976,000</u>	<u>1,403,516,000</u>
	Investments held for operating purposes	78,084,000	73,839,000
	Long-term receivables and sundry assets (including, at December 31, 1971 and 1970, respectively, installment notes receivable of \$49,746,000 and \$58,037,000 from sale, in 1960, of certain gas and oil properties, less deferred income of \$45,039,000 and \$52,546,000; and less reserves of \$1,077,000 and \$7,369,000)	142,317,000	157,427,000
Investments and Sundry Assets		<u>220,401,000</u>	<u>231,266,000</u>
Properties	— at cost, less depreciation, depletion, and amortization reserves of \$3,107,470,000 at December 31, 1971 and \$2,914,484,000 at December 31, 1970	3,964,347,000	3,762,689,000
		<u>\$5,650,724,000</u>	<u>\$5,397,471,000</u>
Liabilities and Shareholders' Equity		1971	1970
Current Liabilities	Current installments of long-term debt	\$ 34,527,000	\$ 60,672,000
	Notes payable	14,314,000	200,384,000
	Accounts payable and accrued liabilities	563,697,000	522,650,000
	Taxes payable (including income taxes)	155,575,000	135,512,000
		<u>768,113,000</u>	<u>919,218,000</u>
Long-Term Debt		<u>1,028,086,000</u>	<u>838,664,000</u>
Deferred Credits	Income taxes	237,213,000	229,905,000
	Sale of future production	44,911,000	—
		<u>282,124,000</u>	<u>229,905,000</u>
Minority Interest in Subsidiary Companies		<u>15,084,000</u>	<u>43,688,000</u>
Shareholders' Equity	Capital stock	913,418,000	913,418,000
	Capital in excess of par value	73,112,000	73,112,000
	Earnings retained and invested in the business	2,680,343,000	2,497,476,000
		<u>3,666,873,000</u>	<u>3,484,006,000</u>
	Less — Capital stock held in treasury — at cost	109,556,000	118,010,000
	Total shareholders' equity	<u>3,557,317,000</u>	<u>3,365,996,000</u>
		<u>\$5,650,724,000</u>	<u>\$5,397,471,000</u>

The statements of Investment in Properties and Long-Term Debt on pages 22 and 25 and the Notes on pages 26 and 27 are an integral part of these statements.

Consolidated Statement of Changes in Financial Position

1971

1970

Source of Funds	Net income	\$ 341,700,000	\$314,019,000
	Expenses not requiring outlay of working capital:		
	Depreciation, depletion, amortization, and retirements and abandonments	343,907,000	325,242,000
	Deferred income taxes	12,694,000	42,201,000
	Funds provided from operations	698,301,000	681,462,000
	New borrowings	242,920,000	17,285,000
	Sale of future production	48,000,000	—
	Dispositions of property	27,316,000	27,252,000
	Total	<u>\$1,016,537,000</u>	<u>\$725,999,000</u>
Application of Funds	Capital expenditures	\$ 572,881,000	\$579,762,000
	Dividends paid	158,833,000	159,015,000
	Repayments on borrowings	53,498,000	68,904,000
	Decrease in long-term receivables and sundry assets	(15,110,000)	(42,381,000)
	Increase (decrease) in treasury shares held	(8,454,000)	14,500,000
	Miscellaneous	41,324,000	6,178,000
	Increase (decrease) in working capital	213,565,000	(59,979,000)
	Total	<u>\$1,016,537,000</u>	<u>\$725,999,000</u>
Working Capital	Increase (decrease) in current assets:		
	Cash, U.S. Government and other marketable securities ..	\$ 65,482,000	\$ (51,640,000)
	Accounts and notes receivable — net.	16,515,000	38,886,000
	Inventories	(15,572,000)	55,406,000
	Prepaid expenses and income taxes	(3,965,000)	(6,499,000)
	(Increase) decrease in current liabilities:		
	Current installments of long-term debt	26,145,000	(30,258,000)
	Notes payable	186,070,000	(39,078,000)
	Accounts payable and accrued liabilities	(41,047,000)	(30,315,000)
	Taxes payable (including income taxes) ..	(20,063,000)	3,519,000
	Increase (decrease) in working capital	<u>\$ 213,565,000</u>	<u>\$ (59,979,000)</u>

Long-Term Debt

1971

1970

Standard Oil Company (Indiana) —		
5% Convertible Subordinated Debentures due 1996	\$ 200,000,000	\$ —
6% Debentures due 1979 to 1998	200,000,000	200,000,000
6% Debentures due 1973 to 1991	162,750,000	168,875,000
4½% Debentures due 1973 to 1983	134,327,000	142,670,000
3% Debentures due 1973 to 1979	18,457,000	19,400,000
2.90% to 3½% Promissory Notes due 1973 to 1979	37,707,000	42,556,000
Amoco Chemicals Corporation 4.571% to 6% Promissory Notes due 1973 to 1981 ..	45,102,000	52,057,000
Amoco Pipe Line Company 3.20% Debentures due 1982, exclusive of \$17,000,000 principal amount repurchased as of December 31, 1971	22,000,000	22,000,000
Amoco International Finance Corporation 5½% and 6¾% Guaranteed Bonds and 5½% Convertible Guaranteed Debentures due 1973 to 1984	82,016,000	83,516,000
Amoco Oil Holdings S.A. 5¾% Guaranteed Bonds due 1973 to 1985	19,120,000	20,590,000
N.V. Amoco Chemicals Belgium S.A. 7¼% Promissory Notes due 1973 to 1979 ..	21,000,000	24,000,000
Amoco Finance Corporation 7% Promissory Notes due 1976 to 1978	14,676,000	—
Other indebtedness	70,931,000	63,000,000
	<u>\$1,028,086,000</u>	<u>\$838,664,000</u>

Notes to Financial Statements

Principles of Consolidation. The accounts of all domestic and foreign subsidiaries in which the company directly or indirectly owns more than 50 per cent of the voting stock are included in the consolidated financial statements except for Imperial Casualty and Indemnity Company and Amoco Credit Corporation, which are accounted for on an equity basis.

In June, 1969, Amoco Credit Corporation was organized as a wholly-owned financial subsidiary with a capitalization of \$24 million. The investment in Amoco Credit, included with investments held for operating purposes on the Consolidated Balance Sheet, was \$29,837,000 at December 31, 1971, and \$29,749,000 a year earlier. At December 31, 1971, Amoco Credit had \$134,140,000 of receivables (net) and \$105,510,000 of short-term debt; at December 31, 1970, the comparable amounts were \$143,070,000 and \$115,000,000, respectively. Net income of Amoco Credit was \$1,688,000 for 1971 and \$2,095,000 for 1970.

Consolidated year-end net assets and net income for 1971 and 1970 were:

	Net Assets		Net Income	
	1971	1970	1971	1970
	(Millions of Dollars)			
United States . . .	\$2,587.6	\$2,500.5	\$238.8	\$253.9
Canada	359.8	323.2	12.6	15.5
Overseas	609.9	542.3	90.3	44.6
Total	<u>\$3,557.3</u>	<u>\$3,366.0</u>	<u>\$341.7</u>	<u>\$314.0</u>

Overseas net income for 1971 was favorably affected as compared with the prior year by increased product realizations in Europe and unusually high tanker charter income received from a domestic affiliate.

Depreciation, Depletion, and Amortization. In general, depreciation of plant and equipment is computed on a straight-line basis over the estimated economic life of the facilities. Depletion of producing properties and amortization of intangible drilling and development costs applicable to productive wells are computed on the unit-of-production method, based on estimated net recoverable oil and gas reserves. For income tax purposes, all intangible drilling and development costs are deducted when incurred. Non-producing property costs are capitalized and amortized over projected holding periods based upon past experience.

Capital Stock. Of an authorized 100,000,000 shares of \$12.50 par value common stock, 73,073,483 shares have been issued. There were 69,071,371 shares outstanding at December 31, 1971, compared with 68,848,229 shares outstanding at December 31, 1970. The increase in shares outstanding resulted entirely

from treasury stock transactions as summarized below:

	1971		1970	
	Shares (000's)	Amount (Millions)	Shares (000's)	Amount (Millions)
Treasury shares at January 1	4,225.3	\$118.0	3,913.8	\$103.5
Purchases	375.2	22.6	1,431.8	62.9
Sales to trustee under employee savings plan	(391.3)	(22.4)	(1,095.5)	(47.3)
Sales to optionees under incentive stock option plans	(205.0)	(8.5)	(8.3)	(.3)
Used in business acquisitions	(2.1)	(.1)	(16.5)	(.8)
	<u>(223.2)</u>	<u>(8.4)</u>	<u>311.5</u>	<u>14.5</u>
Treasury shares at December 31 . . .	<u>4,002.1</u>	<u>\$109.6</u>	<u>4,225.3</u>	<u>\$118.0</u>

At the end of 1971, about 8 per cent of the company's outstanding shares of common stock were held by the trustee for the employee savings plan.

Incentive Compensation Plans. In May, 1967 and 1971, shareholders approved incentive compensation plans for key executives. Bonuses, which may be in cash and/or company stock, are awarded from a special reserve. The reserve provision in each bonus year may not exceed 3 per cent of the amount by which earnings (as defined in the plans) exceed 7 per cent of capital employed (as defined in the plans) during the year. Amounts charged against earnings and credited to a bonus reserve, in anticipation of awards to be made in the following year, were \$2,530,000 in 1971 and \$2,201,000 in 1970. Awards of \$2,216,000 were made to 227 employees in 1971, and of \$2,739,000 to 229 employees in 1970. The 1971 plan provides that half of each employee's award, up to 15 per cent of his salary, be included in the earnings base for the retirement and some other benefit plans.

Incentive Stock Option Plans. Under successive incentive stock option plans, begun May 7, 1953, key employees have been granted options to buy company stock. The share price under options granted before May 2, 1963, is 95 per cent of the fair market value on the granting date, with options normally extending 10 years. The share price under qualified options granted after May 2, 1963, is 100 per cent of the fair market value on the date of grant; these options normally extend five years. Non-qualified options to be granted under the recent plan, approved by stockholders in 1971, will be granted at 100 per cent of the fair market value and will normally extend for 10 years.

When options are exercised, the shares may be taken from authorized but unissued stock or may be reacquired shares. No options may be granted under current plans after December 31, 1976.

On January 1, 1971, options for 420,720 shares were outstanding under the plans, and 239,190 shares were available for future grants. Options for 204,340 shares were exercised during the year at prices ranging from \$25.5625 to \$62.25 a share. Options for 13,050 shares expired or were canceled. New options were granted for 5,000 shares at prices ranging from \$57.50 to \$62.25 a share. At year-end executives held options for 208,330 shares, and 750,000 shares were available for future grants under the plan approved by stockholders in 1971.

Retirement Plan. The company and its subsidiaries have retirement plans available to substantially all employees, providing benefits under trustee plans and contracts with insurance companies. The company's actuarially calculated cost of \$37 million for 1971 and \$27 million for 1970 was funded and charged against earnings. Beginning February 1, 1971, substantially all retirement plan costs are borne by the company.

At year-end, assets of trust funds, with securities valued at cost, totaled \$571 million, and funds on deposit with insurance companies totaled \$159 million. In total, \$730 million was available for financing of benefits.

Contingent Liabilities and Commitments. In 1963, the Federal Power Commission asserted jurisdiction over the price at which certain producing properties were sold in 1960. In 1965, the U.S. Supreme Court ruled the sale was subject to FPC regulation. The matter is pending before the FPC. In the company's opinion, regulation of the sales price will not materially affect the company's financial position.

At year-end, the company had long-term leases ex-

tending beyond one year covering service stations, tankers, buildings, and other facilities; substantially all expire within 15 years. Annual rentals payable under these leases, net of related rental income of \$28,969,000, are estimated at \$42,963,000.

The company is contingently liable for \$156,858,000 as guarantor on outstanding loans of others. Also, under long-term agreements with some companies in which it holds stock interests, the company has guaranteed specified revenues from crude and product shipments. Under certain conditions, it is obligated to provide funds to maintain working capital at specified minimums. No loss is anticipated from these obligations.

At year-end, the company had substantial commitments to acquire or build facilities in the normal course of business.

Taxes. Taxes totaled \$1,079,592,000 for 1971 and \$1,063,753,000 for 1970. The principal taxes, including excise taxes on products sold, are shown below. Federal taxes on income were reduced by investment credits of \$4,621,000 in 1971 and \$4,942,000 in 1970.

(Thousands of Dollars)	1971	1970
Excise taxes	\$ 836,129	\$ 817,262
Property taxes	59,622	54,548
Production taxes	39,131	34,909
Income taxes		
Federal		
Current	63,462	56,018
Deferred	12,694	42,201
Foreign	28,417	19,505
State	3,442	4,997
Social security taxes, corporation taxes, import duties, etc.	36,695	34,313
Total taxes	<u>\$1,079,592</u>	<u>\$1,063,753</u>

Report of Independent Accountants

Price Waterhouse & Co.

To the Board of Directors of Standard Oil Company (Indiana)

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity and changes in financial position present fairly the consolidated financial position of Standard Oil Company (Indiana) and its consolidated subsidiary companies at December 31, 1971 and 1970, the results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Chicago, Illinois
February 24, 1972

Price Waterhouse & Co.

Ten-Year Financial Summary Standard Oil Company (Indiana) and Subsidiaries

Dollar amounts in millions except where noted

Sales and Other Operating Revenues (including excise taxes)

Year	Refined Products	Crude Oil	Natural Gas	Chemicals, Plastics, and Fertilizers	Tires, Batteries, Accessories, and Miscellaneous	Other Sales and Operating Revenues	Total Operating Revenues
1971	\$3,223	\$678	\$246	\$482	\$117	\$144	\$4,890
1970	3,045	618	217	392	127	151	4,550
1969	2,857	548	204	383	124	128	4,244
1968	2,693	500	160	352	120	117	3,942
1967	2,465	494	153	232	109	106	3,559
1966	2,405	417	136	178	107	86	3,329
1965	2,205	397	130	141	97	79	3,049
1964	2,038	412	125	111	90	72	2,848
1963	1,995	405	110	80	79	68	2,737
1962	1,950	375	97	66	74	65	2,627

Financial Condition at Year-End

Year	Total Assets	Working Capital	Current Ratio	Long-term Debt	Borrowed and Invested Capital	Shareholders' Equity	Shareholders' Equity Per Share (in dollars)*
1971	\$5,651	\$698	1.91 to 1	\$1,028	\$4,635	\$3,557	\$51.50
1970	5,397	484	1.53 to 1	839	4,309	3,366	48.89
1969	5,170	544	1.66 to 1	890	4,188	3,225	46.64
1968	4,755	681	2.06 to 1	818	3,964	3,087	43.56
1967	4,204	641	2.17 to 1	512	3,502	2,937	41.41
1966	3,985	720	2.48 to 1	506	3,349	2,795	39.57
1965	3,704	569	2.33 to 1	350	3,112	2,715	38.35
1964	3,459	530	2.62 to 1	340	3,011	2,618	36.90
1963	3,334	619	2.95 to 1	366	2,911	2,534	35.70
1962	3,163	534	2.98 to 1	384	2,820	2,428	34.21

Exploration and Development Costs

Year	New and Renewed Leases	Wells and Production Facilities	Dry Holes	Lease Rentals	Geological, Geophysical, and Other Exploration Expenses	Total Cash Expenditures for Exploration and Development
1971	\$ 55	\$240	\$67	\$15	\$65	\$442
1970	61	214	64	14	55	408
1969	178	218	85	15	57	553
1968	85	206	80	12	58	441
1967	45	196	67	11	57	376
1966	55	182	75	11	60	383
1965	63	152	53	13	54	335
1964	59	176	61	14	53	363
1963	46	132	46	13	45	282
1962	47	129	45	14	40	275

	Net Income		Dividends*		Taxes		
Total Revenues	Total	Per Share (in dollars)**	Total Value	Per Share (in dollars)**	Excise Taxes	Total Taxes Including Excise Taxes	Year
\$4,966	\$342	\$4.95	\$159	\$2.300	\$836	\$1,080	1971
4,623	314	4.55	159	2.300	817	1,064	1970
4,334	321	4.54	163	2.300	749	973	1969
4,003	309	4.37	149	2.100	704	906	1968
3,613	281	3.97	135	1.900	618	813	1967
3,377	258	3.66	120	1.700	598	769	1966
3,089	219	3.10	110	1.550	553	724	1965
2,884	195	2.75	94	1.325	505	627	1964
2,776	183	2.58	90	1.266	482	626	1963
2,656	162	2.29	81	1.149	479	583	1962

Funds Provided from Operations	Capital Expenditures	Exploration Expenditures Including Dry Holes	Shareholders at Year-End		Employees		Year
			Number (in thousands)	Shares Outstanding (in thousands)**	Number at Year-End	Wages and Benefits	
\$698	\$573	\$147	173	69,071	47,664	\$635	1971
681	580	133	179	68,848	47,551	582	1970
646	700	157	173	69,160	48,373	535	1969
604	654	150	173	70,856	47,974	497	1968
553	517	135	172	70,906	45,528	445	1967
543	424	146	173	70,647	43,111	408	1966
494	358	120	171	70,795	41,283	383	1965
434	360	128	161	70,927	40,854	367	1964
427	274	104	150	70,989	38,501	354	1963
383	278	99	154	70,971	39,189	358	1962

* Dividends prior to 1964 include the market value on date of distribution of the Standard Oil Company (New Jersey) stock distributed as a special dividend.

** Adjusted for the two-for-one stock split in September, 1964.

If you would like to receive the financial and statistical supplement to the 1971 Annual Report, please send your request to the Secretary, Standard Oil Company (Indiana), P.O. Box 5910-A, Chicago, Illinois 60680.

Ten-Year Operating Summary Standard Oil Company (Indiana) and Subsidiaries

Exploration and Development

Year	Net Producing and Prospective Acreage at Year-End (in thousands)				Net Wells Drilled		
	Producing Leases		Undeveloped Leases		Exploratory		
	United States	Canada	United States	Canada	Oil	Gas	Dry
1971	2,257	722	18,130	5,298	27	94	174
1970	2,246	717	12,625	5,307	20	17	168
1969	2,238	704	13,393	4,944	25	33	290
1968	2,447	614	11,696	3,967	49	51	323
1967	2,415	552	9,522	3,111	34	32	221
1966	2,387	520	8,486	3,108	35	43	192
1965	2,298	479	9,539	3,197	33	33	186
1964	2,259	412	11,758	3,591	42	43	253
1963	2,092	262	11,234	3,174	40	28	245
1962	1,998	261	13,758	3,428	34	36	150

Production

Net Production of Crude Oil and Natural Gas Liquids (thousands of barrels per day)

Year	Texas	Louisiana	Wyoming	Oklahoma	New Mexico	Other U.S.	Total U.S.
1971	250	74	57	29	23	36	469
1970	252	71	58	27	26	32	466
1969	225	70	62	26	27	42	452
1968	224	64	60	25	27	47	447
1967	218	60	59	24	26	43	430
1966	208	55	57	23	23	39	405
1965	202	52	58	19	19	40	390
1964	191	48	54	17	16	39	365
1963	180	45	44	14	15	37	335
1962	166	38	45	13	15	38	315

Net Proved Reserves

Manufacturing

Marketing

U.S. and Canada at Year-End					Refined Products Sold (thousands of barrels per day)		
Year	Crude Oil and Natural Gas Liquids (thousands of barrels)	Natural Gas (billions of cubic feet)	Refinery Input	Refinery Crude Capacity (year-end)	Gasoline (including natural gasoline)	Heating Oils and Diesel Fuels	Residual Fuel Oil
			(thousands of barrels per day)				
1971	3,122,825	18,333	990	1,073	504	308	94
1970	3,237,600	19,029	977	1,125	491	276	110
1969	3,300,960	20,379	971	1,056	482	270	93
1968	3,271,064	20,464	925	1,045	459	252	86
1967	3,231,789	19,996	862	995	430	233	79
1966	3,159,857	19,839	829	895	435	222	81
1965	3,043,794	19,196	777	807	400	210	85
1964	2,964,760	18,580	734	774	384	198	74
1963	2,743,664	17,175	720	773	364	201	75
1962	2,617,525	16,653	696	755	361	199	70

						Net Wells Owned		
Development			Total	Gross Wells Drilled	Non-Company Wells to Which Contributions Were Made	Oil (year-end)	Gas (year-end)	Year
Oil	Gas	Dry						
410	83	102	890	1,510	716	15,082	3,636	1971
712	88	114	1,119	1,869	742	15,388	3,576	1970
493	110	124	1,075	1,664	625	15,316	3,564	1969
387	101	143	1,054	1,653	506	16,847	3,786	1968
411	110	131	939	1,487	456	16,913	3,716	1967
475	181	181	1,107	1,725	551	16,747	3,585	1966
727	184	163	1,326	1,912	510	16,476	3,394	1965
699	170	132	1,339	1,892	471	15,923	3,190	1964
633	121	144	1,211	1,655	448	14,206	2,839	1963
737	141	141	1,239	1,642	622	13,532	2,651	1962

Canada	Egypt	Iran	Argentina	Other Foreign	Total	Natural Gas (millions of cubic feet per day)	Natural Gas Sold (millions of cubic feet per day)	Year
63	88	62	47	40	769	3,631	3,642	1971
58	107	46	43	24	744	3,510	3,454	1970
48	86	52	39	7	684	3,313	3,267	1969
44	59	51	35	7	643	2,833	2,727	1968
41	16	50	29	11	577	2,738	2,622	1967
38	—	32	24	16	515	2,533	2,427	1966
34	—	23	28	9	484	2,374	2,245	1965
30	—	2	31	7	435	2,186	2,109	1964
27	—	—	33	8	403	1,966	1,920	1963
26	—	—	38	3	382	1,834	1,807	1962

						Transportation		
		Gasoline Retail Outlets Served (year-end)						
Other Products	Total	Company Owned or Leased	Other	Crude Oil, NGL, etc., Purchased	Crude Oil Sold	Pipelines Owned, Miles (year-end)	Pipeline Traffic (million barrel miles)	Year
				(thousands of barrels per day)				
217	1,123	20,600	10,700	1,023	651	13,904	197,862	1971
197	1,074	21,200	10,300	1,026	663	13,965	199,714	1970
190	1,035	21,600	10,400	934	560	14,303	210,155	1969
180	977	21,700	9,400	885	528	16,590	208,325	1968
160	902	21,800	9,300	838	522	16,788	190,425	1967
157	895	22,500	9,000	809	424	16,591	190,272	1966
145	840	23,100	8,900	757	396	16,645	178,587	1965
136	792	23,900	8,400	769	383	16,978	170,312	1964
130	770	25,100	7,900	764	379	16,844	170,976	1963
120	750	26,900	7,200	728	372	16,822	168,215	1962

Board of Directors Standard Oil Company (Indiana)

March 3, 1972

Directors

John E. Swearingen
Chairman of the Board

Robert C. Gunness
President

George V. Myers
Executive Vice President

Richard J. Farrell
Vice President and General Counsel

Herschel H. Cudd
President, Amoco Chemicals Corporation

L. Chester May
Vice President Finance

John S. Bugas
Retired Business Executive

F. Randolph Yost
President, Amoco Production Company

Joseph S. Wright
Chairman, Zenith Radio Corporation

Frank C. Osment
President, Amoco International Oil Company

George R. Cain
Chairman, Abbott Laboratories

Blaine J. Yarrington
President, American Oil Company

Herbert P. Patterson
President, Chase Manhattan Bank, N.A.

Arthur E. Rasmussen, Jr.
Chairman and President, Household Finance Corporation

Officers

F. Cushing Smith
Vice President

Jack M. Tharpe
Vice President

William W. Spear
Vice President

James W. Cozad
Vice President

John T. Snyder, Jr.
Treasurer

Victor H. Brown
Controller

Robert D. Thompson
Secretary

Executive Changes

Arthur E. Rasmussen, Jr. was elected to the Board of Directors of Standard Oil Company (Indiana) May 6, 1971. President of Household Finance Corporation since 1967, he was elected chief executive officer in 1971 and chairman of the board in 1972.

The Board of Directors regrets the loss of the valued services of Lawrence A. Kimpton and Logan T. Johnson during the year. Mr. Kimpton elected to retire in March, 1971, and to resign from the Board of Directors, on which he had served since 1958. Mr. Johnson, chairman of Armco Steel Corporation, who had been a director of Standard Oil since 1963, did not stand for re-election as a director in 1971, having reached mandatory retirement age for members of Standard's board. The company benefited from their wise counsel for many years.

James W. Cozad on September 1, 1971, was elected a vice president of Standard, reporting to the vice president, finance. He had been financial vice president of American Oil Company, Standard's domestic manufacturing and marketing subsidiary.

Victor H. Brown, formerly a partner of Touche Ross & Co., an international accounting firm, was elected controller of Standard on August 1, 1971, succeeding Richard M. McGowen, who retired.

General Office

910 South Michigan Avenue, Chicago, Illinois 60605

Transfer Agents

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza, New York, New York 10015

The First National Bank of Chicago
One First National Plaza, Chicago, Illinois 60670

National Trust Company, Limited
21 King Street East, Toronto 1, Ontario, Canada

Registrars

First National City Bank
55 Wall Street, New York, New York 10015

Continental Illinois National Bank and Trust Company of Chicago
231 South LaSalle Street, Chicago, Illinois 60690

The Royal Trust Company
Royal Trust Tower, Toronto Dominion Center, Toronto 1, Ontario, Canada

Annual Meeting

The annual meeting of the company's stockholders will be held on May 4, 1972, at the Whiting, Indiana, Community Center. A formal notice of the meeting, together with a proxy statement and proxy, will be sent to shareowners on or about March 30, 1972, at which time management will solicit proxies.

Foundation Report

Copies are available of the annual report of the Standard Oil (Indiana) Foundation, Inc., American Oil Foundation, and Amoco Production Foundation, Inc. If you wish a copy, please write to the Executive Director, Standard Oil (Indiana) Foundation, P. O. Box 5910-A, Chicago, Illinois 60680.

Principal Subsidiaries and Affiliates Standard Oil Company (Indiana)

	Principal business	Principal areas of operation	Per Cent Owned
North America			
Amoco Production Company	Exploration and production	United States	100
Midwest Oil Corporation	Exploration and production	United States and Canada	68
Amoco Canada Petroleum Company Ltd.	Exploration, production, and chemicals	Canada	100
Amoco Pipeline Company	Pipeline transportation	United States	100
Amoco Gas Company	Purchase, transport, and sale of natural gas	Texas, New Mexico	100
American Oil Company	Refining, transportation, and marketing	United States	100
Amoco Chemicals Corporation	Manufacture and sale of chemical products	United States and abroad	100
Amoco International Oil Company	Direction of exploration, production, refining, transportation, and marketing	Outside North America	100
Amoco International Finance Corporation	Financing of capital requirements	Outside North America	100
Amoco Credit Corporation	Finance	United States	100
Imperial Casualty and Indemnity Company	Insurance	United States	100
Amoco Shipping Company	Marine transportation	United States	100
Amoco Minerals Company	Mining exploration and production	Worldwide	100
Latin America			
Amoco Argentina Oil Company	Exploration and production	Argentina	100
Amoco Colombia Oil Company	Exploration and production	Colombia	100
Amoco Ecuador Petroleum Company	Exploration and production	Ecuador	100
Amoco Trinidad Oil Company	Exploration and production	Trinidad	100
Amoco Venezuela Oil Company	Exploration and production	Venezuela	100
Amoco Trading International, Ltd.	Purchase and sale of oil	Outside North America	100
Europe			
Amoco Europe, Inc.	Coordination of European activities	Europe	100
Amoco Hanseatic Petroleum Company	Exploration and production	West Germany	100
Amoco Netherlands Petroleum Company	Exploration and production	Netherlands	100
Amoco Norway Oil Company	Exploration and production	Norway	100
Amoco (U.K.) Exploration Company	Exploration and production	United Kingdom	100
Amoco (U.K.) Ltd.	Marketing	United Kingdom	100
Amoco Italia, S.p.A.	Refining and marketing	Italy	100
Amoco Deutschland GmbH	Marketing	West Germany	100
N.V. Amoco Chemicals Belgium S.A.	Manufacture and sale of chemical products	Belgium	100
Amoco Fina S.A.	Manufacture of lubricating oil additives	Belgium	50
Amoco International S.A.	International holdings	Outside United States	100
Amoco Oil Holdings S.A.	Financing of capital requirements	Luxembourg	100
Africa			
Amoco Ghana Exploration Company	Exploration and production	Ghana	100
Amoco Mauritania Petroleum Company	Exploration and production	Mauritania	100
Mozambique Amoco Oil Company	Exploration and production	Mozambique	80
Amoco Libya Oil Company	Exploration and production	Libya	100
Amoco Egypt Oil Company	Exploration and production	Egypt	100
Gulf of Suez Petroleum Company	Exploration and production	Egypt	50
Amoco Transport Company	Ocean transportation	Worldwide	100
Amoco Liberia Exploration Company	Exploration and production	Liberia	100
Middle East			
Amoco Iran Oil Company	Exploration and production	Iran	100
Iran Pan American Oil Company	Exploration and production	Iran	50
Kharg Chemical Company Ltd.	Natural gas liquids and sulfur extraction	Iran	50
Australia and Far East			
Amoco Australia Exploration Company	Exploration and production	Australia	100
Amoco Australia Pty. Ltd.	Refining and marketing	Australia	100
Amoco Chemicals Pty. Ltd.	Sale of chemical products	Australia, New Zealand	100
Amoco India, Inc.	Refining and manufacture of fertilizers	India	100
Madras Fertilizers, Ltd.	Manufacture of fertilizers and chemicals	India	49
Madras Refineries, Ltd.	Refining	India	13
Amoco Chemicals Far East, Inc.	Liaison with plastic and chemical companies	Japan	100
Amoco Japan Oil Company	Commercial development	Japan	100
A.G. International Chemical Company	Manufacture and sale of chemical products	Japan	50
Amoco Japan Exploration Company	Exploration and production	Japan	100
Amoco Pakistan Exploration Company	Exploration and production	Pakistan	100
Amoco Singapore, Inc.	Refining and marketing	Singapore	100
Singapore Petroleum Company (Pte.) Ltd.	Refining and marketing	Singapore	33
Amoco Thailand Petroleum Company	Exploration and production	Thailand	100
Amoco Taiwan Petroleum Company	Exploration and production	Taiwan	100

Standard Oil Company (Indiana)

910 South Michigan Avenue

Chicago, Illinois 60605

Our Major Products

Serving Transportation

Gasolines — American Super Premium Gasoline • Amoco Super Premium Gasoline (unleaded) • Amoco Gasoline (unleaded) • American Regular Gasoline

Motor Oils — Super Permalube LDO Motor Oil • Super Permalube Motor Oil • Permalube Motor Oil • Amolube Motor Oil • Amoco Motor Oil • Amoco Super Diesel Lubricating Oil

Tires, Batteries, Accessories — Amoco CXV Tire • Atlas tires, batteries, accessories

Jet Fuels — Amoco Jet Fuels

Diesel Fuels — Amoco Premier Diesel Fuel • Amoco Diesel Fuel • American Diesel Fuels • RR Diesel Fuels

Chassis Greases — Super Permalube Grease • Amoco Lithium Multi-Purpose Grease • Amoco Molyolith Grease

Transmission Fluids and Hydraulic Oils — Amoco A-T-F Type F • Amoco Dexron A-T-F • Amoco Hydraulic Oil All-Weather

Gear Lubricants — Amoco Multi-Purpose Gear Lubricants

Serving the Home

Furnace Oil — Amoco Furnace Oil

Heater Oils and Kerosene — American Heater Oil • American Kerosene

Natural Gas

Liquefied Petroleum Gas

Plastic Wares

Serving Farm and Industry

Many of the products listed above are also used for farm and industry. A selection of others follows:

Anhydrous ammonia • Dry and liquid balanced fertilizers • Heavy fuel oils • Agricultural chemicals

Aromatic acids • Viscous hydrocarbon polymers • Plastics and resins • Styrene monomers

Asphalts and road oils • Diesel and gas engine oils • Industrial oils and lubricants • Sulfur

White oils • Waxes • Petroleum solvents and naphthas • Additives • Petrolatums • Greases

Plastic parts, containers, pipe, and packaging films • Carpet backing, bagging, and tarpaulin fabric